



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

APR 30 2010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

Mr. Michael Walmer
Electron Energy Corporation
924 Links Avenue
Landisville, PA 17538

Dear Mr. Walmer:

Thank you for your February 4 letter concerning the rare earth elements and their importance to U.S. industry, renewable energy, and national defense. Due to the possibility of restrictions in global supplies, this special group of elements has received a great deal of attention in recent months. I appreciate your willingness to share your ideas for reducing potential risks associated with the supply of these important materials.

My staff has been investigating actions involving rare earth resources for many years, particularly potential foreign acquisitions of U.S. rare earth deposits. In collaboration with other U.S. Government agencies, we are assessing DoD use of these materials as well as the status and security of domestic and global supply chains. By September, we will complete a report that addresses vulnerabilities in the supply chain and include recommendations to mitigate any potential risks of supply disruption.

Multiple deposits of rare earths exist outside of China, with many in North America. Information and ideas regarding the development and use of these resources are always welcome. The Defense National Stockpile does not currently include rare earths; however, the Department is involved in intergovernmental efforts to transform the Stockpile into a strategic materials risk management program that would better prepare our Nation for future supply chain vulnerabilities.

We stand ready to meet with suppliers and encourage industry input. My point of contact is Ms. Dawn Vehmeier at 703-602-4322 or Dawn.Vehmeier@osd.mil. A similar response has been sent to the other signatories of your letter.

Sincerely,

A handwritten signature in blue ink, reading "Ashton B. Carter".

Ashton B. Carter